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7NEW CIA DRAFT WOULD TEAR DOWN WATERGATE 'FENCE POSTS,' SENATOR SAYS

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WASHINGTON (AP) - WHILE THE REAGAN ADMINISTRATION WANTS ONLY A MODEST GROWTH IN THE CIA'S POWER, A DEMOCRATIC SENATOR WARNS THAT THE PROPOSED CHANGES COULD TEAR DOWN 'FENCE POSTS' ERECTED TO PREVENT WATERGATE-STYLE ABUSES.

BEHIND CLOSED DOORS THURSDAY, ADMINISTRATION OFFICIALS DEFENDED PROPOSED NEW CIA GUIDELINES, ANSWERING A SENATE INTELLIGENCE SUBCOMMITTEE'S LEGAL QUESTIONS ABOUT A DRAFT PRESIDENTIAL ORDER THAT WOULD GIVE THE AGENCY ITS FIRST AUTHORITY TO SPY ON U.S. GROUPS.

SEN. PATRICK LEAHY, D-Vt., SAID FBI REPRESENTATIVES TOLD THE PANEL THAT IN MOST AREAS THEY DID NOT SEE THE PROPOSED ORDER EXPANDING CIA ACTIVITIES INTO THE BUREAU'S JURISDICTION.

BUT LEAHY SAID HE STILL WAS CONCERNED ABOUT INJECTING THE CIA INTO DOMESTIC INTELLIGENCE TRADITIONALLY HANDLED BY THE FBI.

'THE WHITE HOUSE SEES THIS ORDER AS SIMPLY STREAMLINING' THE EXISTING RULES GOVERNING INTELLIGENCE AGENCIES AND ESTABLISHING 'SIGN POSTS' TELLING THE CIA WHAT IT CAN DO, LEAHY SAID.

BUT LEAHY ARGUED THE PROPOSED ORDER WAS 'NOT SO MUCH PUTTING UP SIGN POSTS AS REMOVING THE FENCE POSTS THAT WERE PUT UP AS A RESULT OF THE BITTER EXPERIENCES OF THE WATERGATE ERA.'

'I DON'T THINK ANYONE WANTS TO RETURN TO WATERGATE, BUT I'LL BE MORE COMFORTABLE IF THE FENCE POSTS ARE KEPT IN PLACE,' HE SAID.

PERHAPS THE MOST CONTROVERSIAL SECTION OF THE PROPOSED ORDER WOULD ALLOW THE CIA TO INFILTRATE DOMESTIC GROUPS AND - WITH THE ATTORNEY GENERAL'S ASSURANCE THAT CONSTITUTIONAL RIGHTS WILL BE PROTECTED - TO INFLUENCE THE GROUPS' ACTIONS.

IN PROVIDENCE, R.I., THURSDAY NIGHT, CIA DIRECTOR WILLIAM J. CASEY SAID THE CIA 'HAS NO INTENTION OF SPYING INSIDE THE UNITED STATES.'

'THAT IS SOLELY THE FUNCTION OF THE FBI,' CASEY TOLD A BROWN UNIVERSITY AUDIENCE. 'THE PURPOSE OF THE CIA IS TO ACQUIRE FOREIGN INTELLIGENCE AND GIVE ADVICE TO GUIDE THE FOREIGN POLICY OF THE UNITED STATES. I CAN ASSURE YOU THAT THE CIA HAS NO INTENTIONS, NO DESIRE, TO CONDUCT INTELLIGENCE OPERATIONS IN THE UNITED STATES.'

THURSDAY'S SENATE TESTIMONY FROM JUSTICE DEPARTMENT AND FBI OFFICIALS CAME AMID SIGNS THAT THE REAGAN ADMINISTRATION MIGHT BE WILLING TO MAKE LIMITED CHANGES IN THE PROPOSED ORDER.

'WE'RE GOING TO SEE SOME MODIFICATIONS FOR CLARITY,' SAID SEN. HARRISON SCHMITT, R-N.M. BUT HE ADDED: 'I WOULD EXPECT IT WILL BE SIGNED ESSENTIALLY AS IT IS.'

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